

REMARKS

Claims 1-19 are pending. In the present Amendment, Claim 8 is amended and Claims 1-7, 13, and 16 are cancelled without prejudice, thereby leaving Claims 9-12, 14, 15, and 17-19 unchanged.

Applicants gratefully acknowledge the Examiner's indication that Claim 13 includes allowable subject matter.

Claim 8 is currently amended to include the allowable subject matter of dependent Claim 13. Accordingly, Claim 8 is allowable. Claims 9-12, 14, 15, and 17-19 depend from Claim 8 and are allowable for the same and other reasons.

Drawing Objection

The Examiner objected to the drawings under 37 C.F.R. § 1.83(a) for failing to show each and every feature of the invention specified in the claims. Specifically, the Examiner argues that "the at least one additional element and additional spacer elements" specified in Claim 16 are not shown in the figures. Without prejudice, Applicants have cancelled Claim 16, rendering this objection moot. Accordingly, Applicants respectfully request withdrawal of the objection to the drawings. Applicants reserve the right to prosecute Claim 16 and claims directed to similar subject matter in one or more continuation patent applications.

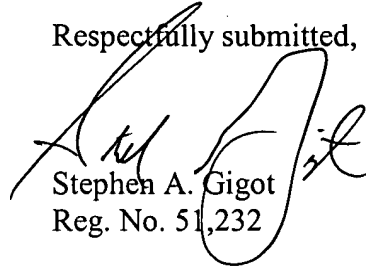
35 U.S.C. § 102(b) Rejections

Claims 1-5, 7-12, and 14-19 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 3,819,152 ("Clippard"). Claims 1 and 3-7 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 3,354,912 ("Gordon") Without prejudice, Applicants have cancelled Claims 1-7, 13, and 16, and have amended Claim 8 to include the subject matter of allowable Claim 13. Accordingly, Claim 8 is allowable. Claims 9-12, 14, 15, and 17-19 depend from Claim 8, and are allowable for the same and other reasons. Applicants respectfully traverse the Examiner's rejections and reserve the right to re-present the rejected claims and to address the Examiner's rejections in one or more continuation patent applications.

CONCLUSION

In view of the foregoing, Applicants respectfully request entry of the above amendments and allowance of Claims 8-12, 14, 15, and 17-19.

Respectfully submitted,



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14 CENTRAL DISTRICT OF CALIFORNIA
15 WESTERN DIVISION

17 **SOUTHERN CALIFORNIA GAS**
18 **CO.,**

19 Petitioner,

20 v.

21 **INGERSOLL-RAND ENERGY**
22 **SYSTEMS,**

23 Respondent.

Case No. CV 05-3985 NM (FMOx)

SOCALGAS' REPLY TO IRES'
RESPONSE TO SOCALGAS' PETITION
TO CONFIRM ARBITRATION AWARD;
SOCALGAS' OPPOSITION TO IRES'
PROPOSED FORM OF ORDER;
SOCALGAS' PROPOSED FORM OF
ORDER

1 **I. THE AWARD OF ARBITRATOR IN ITS ENTIRETY SHOULD BE**
2 **CONFIRMED.**

3 In its response to the Petition to Confirm Arbitration Award filed by Petitioner
4 Southern California Gas Company ("SoCalGas"), Respondent Ingersoll-Rand Energy
5 Systems ("IRES") admitted the factual allegations of paragraphs 1 – 12 of SoCalGas'
6 Petition, i.e., all of the factual allegations in that Petition. In addition, IRES agreed that
7 the Award of Arbitrator dated March 31, 2005, should be confirmed by the Court
8 pursuant to SoCalGas' Petition. ("IRES agrees that the arbitration award is to be
9 confirmed by the Court as a result of SoCalGas' Petition." IRES' Response at paragraph
10 11).

11 The only issue that remains contested by the parties is just exactly what is to be
12 confirmed. SoCalGas believes that the entire "Award of Arbitrator" constitutes the
13 Award and should be confirmed by this Court. IRES, on the other hand, apparently
14 believes that only the concluding five numbered paragraphs of the "Award of Arbitrator,"
15 quoted in its Response and in its Proposed Order, constitute the Award that should be
16 confirmed. In essence, the parties disagree concerning whether the Arbitrator's reasoning
17 and findings set forth in the eleven pages of the Award of Arbitrator preceding its last
18 concluding paragraphs should have any binding effect.

19 As reflected in the Award of Arbitrator, the Arbitrator issued a "Reasoned Award"
20 pursuant to the written request of the parties. (Award of Arbitrator, page 1.) The entire
21 twelve page document contains the Arbitrator's analysis of the theories presented by the
22 parties and the evidence presented by each party in support of its theories. The Arbitrator
23 considered each claim asserted by each of the parties and made findings with respect to
24 each of those claims at the conclusion of her analysis of each claim. All of those findings
25 should be confirmed, not just the conclusions that are summarized in the five numbered
26 paragraphs at the end of the Award, because they are all an integral part of the Award.

1 Indeed, the Arbitrator herself made it clear that the Award consists of the entire
2 document. First, the entire document is entitled "Award of Arbitrator," not just the five
3 numbered paragraphs at the end. In addition, in the first paragraph of the Award, the
4 Arbitrator states:

5 I, the undersigned Arbitrator, having been designated in
6 accordance with the arbitration agreement in the Development and
7 License Agreement entered into by the above-named Parties. . .and
8 the Parties having requested in writing a Reasoned Award, find as
9 follows:

10 * * *

11 Thereafter follows the analysis and findings with respect to each claim.

12 To confirm only the five concluding paragraphs and not the remainder of the
13 Award, including the findings which led to the conclusions reached, would eviscerate the
14 Award and render meaningless the "Reasoned Award" that was requested by both parties.

15 SoCalGas submits that the purpose of a confirmation proceeding is to convert an
16 arbitration award into a judgment of the court. See *Barbier v. Shearson Lehman Hutton,*
17 *Inc.*, 752 F.Supp. 151, 159 (S.D.N.Y. 1990) ("The Confirmation of an arbitration award
18 is a summary proceeding that merely makes what is already a final arbitration award a
19 judgment of the court.") Here the arbitration award consists of the entire "Award of
20 Arbitrator" consisting of all twelve pages, not just the conclusory final paragraphs.

21 An arbitration award within the scope of the submissions is conclusive on fact
22 issues and interpretation of law. *Oinoussian Steamship Corp. of Panama v. Sabre*
23 *Shipping Corp.*, 224 F.Supp. 807, 809 (S.D.N.Y. 1963). In view of the facts here, i.e.,
24 that IRES has not sought to vacate, amend or correct the Award, that the time for doing
25 so has expired, and that IRES has agreed that the arbitration award should be confirmed,
26 the Arbitrator's findings of fact which led to her ultimate conclusions on the claims
27 presented to her should be confirmed as well as those ultimate conclusions.

1 **II. IRES' PROPOSED ORDER IS TOO RESTRICTIVE.**

2 The proposed order submitted by IRES is acceptable to SoCalGas, except to the
3 extent that it suggests that the Court would confirm only the five numbered paragraphs
4 at the end of the Award of Arbitrator. IRES' proposed order provides that the Award of
5 Arbitrator dated March 31, 2005 is confirmed but then adds:

6 "The award states:

7 1. The 250kW micorturbines [sic] are Royalty Bearing Products
8 under the DLA.

9 2. Respondent to permit Claimant, as soon as is practicable, to
10 conduct an inspection as provided for under Article 10 for all years that any
11 royalty Bearing Products have been invoiced and to continue to comply with
12 the inspection rights of Claimant under Article 10.

13 3. All remaining claims and counterclaims, which have not been
14 disposed of by summary judgment or stipulated dismissal, or which are not
15 rendered moot by the declaration in Paragraph 1 above, are denies.

16 3. [sic] The administrative fees of the American Arbitration
17 Association totaling \$5,250.00 shall be borne as incurred by the parties.

18 4. The compensation and expenses of the arbitrator totaling
19 \$35,843.91 shall be borne equally by the parties."

20 SoCalGas submits that, by quoting the five numbered paragraphs at the end of the
21 award, IRES' proposed order suggests that the award being confirmed consists of only
22 those five numbered paragraphs, rather than the complete Award of Arbitrator.

23 SoCalGas respectfully requests that an order confirming the Award of Arbitrator
24 in the form attached hereto as Exhibit 1 be entered. That proposed order is the same as
25 IRES' proposed order, except that it does not quote the last five paragraphs of the
26 Award of Arbitrator. Alternatively, if the Court believes it is appropriate to quote the
27 last five paragraphs of the Award of Arbitrator, SoCalGas respectfully requests that the
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1 preamble to the quotation be something along the lines of "the Award states in part. . .,"
2 or "The Award concludes with the following. . ." to avoid any suggestion that only the
3 last five paragraphs are being confirmed.

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5 **III. SOCALGAS INTENDS TO FILE A MOTION TO CONFIRM**

6 Several weeks ago SoCalGas proposed to IRES that the parties stipulate to the
7 entry of an order confirming the Award of Arbitrator issued on March 31, 2005. IRES
8 agreed in principle, subject to reviewing the proposed stipulation and proposed order.
9 At that time SoCalGas stated its intention to file a motion to confirm the Award of
10 Arbitrator if the parties were unable to agree on a stipulation and proposed order.

11 On June 21, 2005, counsel for SoCalGas sent to counsel for IRES a draft of a
12 stipulation and a proposed order. A copy of that correspondence is attached hereto as
13 Exhibit 2. The proposed order that accompanied the June 21, 2005 correspondence is
14 substantially the same as the form of proposed order attached as Exhibit 1 to this Reply.

15 IRES agreed to the draft stipulation but did not agree to SoCalGas' proposed
16 order. IRES countered with a proposed order substantially the same as the proposed
17 order submitted with IRES' Response to SoCalGas' Petition to Confirm. Since that
18 time the parties have discussed their respective concerns but have been unable to agree
19 on a proposed order.

20 Accordingly, SoCalGas intends to file a motion to confirm the Award of
21 Arbitrator. That motion will be filed so that the hearing of the motion will be held on
22 August 15, 2005, the date currently set for a status conference in this matter. The

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1 parties will be able to brief their positions on the form of the order confirming the
2 Award of Arbitrator in connection with that motion.
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4 Dated: July 21, 2005 Respectfully submitted,

5 AKIN GUMP STRAUSS HAUER & FELD LLP

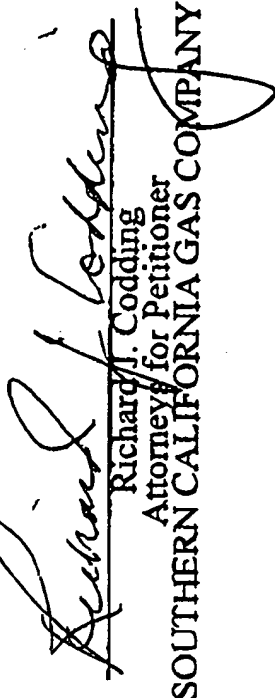
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9 Attorneys for Petitioner
10 SOUTHERN CALIFORNIA GAS COMPANY
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EXHIBIT 1

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22 UNITED STATES DISTRICT COURT
23 CENTRAL DISTRICT OF CALIFORNIA
24 WESTERN DIVISION

25 SOUTHERN CALIFORNIA GAS
26 CO.,

27 Petitioner,

28 v.

INGERSOLL-RAND ENERGY
SYSTEMS,

Respondent.

Case No. CV 05-3985 NM (FMOx)

**[PROPOSED] ORDER CONFIRMING
AWARD OF ARBITRATOR DATED
MARCH 31, 2005**

1 Pursuant to the pleadings of the parties and after having reviewed the Award of
2 Arbitrator dated March 31, 2005 in Arbitration Case Number 72 198 00502 04 VSS,
3 Southern California Gas Company, Claimant v. Ingersoll-Rand Energy Systems
4 Corporation, Respondent, before the American Arbitration Association,

5 It is hereby ordered that the Award of Arbitrator dated March 31, 2005 in said
6 arbitration is confirmed.

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9 DATED: _____, 2005

10 _____
11 Nora M. Manella
12 United States District Judge
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EXHIBIT 2

AKIN GUMP
STRAUSS HAUER & FELD LLP

Attorneys at Law

RICHARD J. CODDING
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June 21, 2005

VIA FACSIMILE

Michael E. Husmann, Esq.
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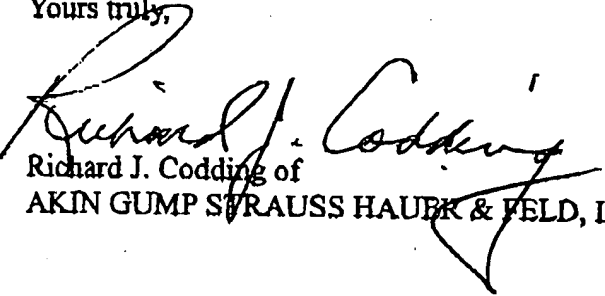
Re: SoCalGas v. IRES
Case No. CV05-3985-NM (FMOx)

Dear Michael:

Attached for your review and comment is a draft stipulation for entry of an order confirming the Award of Arbitrator dated March 31, 2005, and a draft proposed order confirming the award. Please let me have any suggested changes or comments at your earliest convenience.

If IRES is inclined to agree to a stipulation and proposed order along the lines of the attached, SoCalGas will agree to a brief extension of IRES' time to respond to SoCalGas' petition to allow the stipulation and proposed order to be finalized. We would be willing to agree to an extension of one week. If we cannot resolve any issues regarding the attached simple stipulation for entry of an order confirming the Award and the proposed form of order within the next ten days, I would be doubtful we could ever agree on a stipulation and proposed order. If IRES is so inclined, please prepare an appropriate stipulation, sign it and forward it to me. I will sign it and have it filed.

Yours truly,


Richard J. Coddington of
AKIN GUMP STRAUSS HAUER & FELD, LLP

Attachment
5752092

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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 WESTERN DIVISION
13

14 SOUTHERN CALIFORNIA GAS
CO.,

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16 Petitioner,

17 v.

18 INGERSOLL-RAND ENERGY
SYSTEMS,

19 Respondent.
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Case No. CV 05-3985 NM (FMOx)

STIPULATION FOR ENTRY OF
ORDER CONFIRMING AWARD
OF ARBITRATOR

5752059

Case No. CV 05-3985 NM (FMOx)

Petitioner Southern California Gas Company ("SoCalGas") and respondent Ingersoll-Rand Energy Systems Corporation ("IRES") through their respective undersigned attorneys of record stipulate, subject to the Court's approval, to the entry of an order, in the form attached hereto as Exhibit A, confirming the Award of Arbitrator dated March 31, 2005, in arbitration case number 72 198 00502 04 VSS, Southern California Gas Company, claimant v. Ingersoll-Rand Energy Systems Corporation, respondent, before the American Arbitration Association.

Dated: June __, 2005

AKIN GUMP STRAUSS HAUER & FELD LLP

By _____
Richard J. Coddling
Attorneys for Petitioner
SOUTHERN CALIFORNIA GAS CO.

Dated: June __, 2005

MICHAEL BEST & FRIEDRICH

By _____
Michael B. Husmann
Attorneys for Respondent
Ingersoll-Rand Energy Systems Corporation

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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 WESTERN DIVISION
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14 SOUTHERN CALIFORNIA GAS
CO.,

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16 Petitioner,

17 v.

18 INGERSOLL-RAND ENERGY
SYSTEMS,

19 Respondent.
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Case No. CV 05-3985 NM (FMOx)

**[PROPOSED] ORDER
CONFIRMING AWARD OF
ARBITRATOR DATED MARCH 31,
2005**

() ()

1 Pursuant to the stipulation of the parties and after having reviewed the Award of
2 Arbitrator dated March 31, 2005 in Arbitration Case Number 72 198 00502 04 VSS,
3 Southern California Gas Company, Claimant v. Ingersoll-Rand Energy Systems
4 Corporation, Respondent, before the American Arbitration Association,

5 It is hereby ordered that the Award of Arbitrator dated Marsh 31, 2005 in said
6 arbitration is confirmed.

7
8 Dated: June __, 2005
9

10 By _____

11 Nora M. Manella
12 United States District Judge
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**AKIN GUMP
STRAUSS HAUSER & FELD LLP**
ATTORNEYS AT LAW

FAX TRANSMISSION

June 21, 2005

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From: Richard J. Coddins
Total Pages: 6
Direct Dial: 310.229.1045
Re: SoCalGas v. IRES
Message: Letter, with draft stipulation

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 2029 Century Park East, Suite 2400, Los Angeles, California 90067. On July 21, 2005, I served the foregoing document(s) described as: **SOCALGAS' REPLY TO IRES' RESPONSE TO SOCALGAS' PETITION TO CONFIRM ARBITRATION AWARD; SOCALGAS' OPPOSITION TO IRES' PROPOSED FORM OF ORDER; SOCALGAS' PROPOSED FORM OF ORDER** on the interested party(ies) below, using the following means:

☒ BY PERSONAL SERVICE I caused to be delivered by In House Attorney Service such envelope(s) by hand to the offices of the addressee(s), as follows:

Karin Pagnanelli, Esq.
Mitchell Silberberg & Knupp LLP
11377 West Olympic Boulevard
Los Angeles, CA 90064-1625

☒ BY FAX Based on an agreement of the parties to accept service by fax transmission, I faxed the documents to the respective fax number(s) of the party(ies) as stated below. No error was reported by the fax machine that I used.

Michael E. Husmann, Esq.
Michael Best & Friedrichg, LLP
100 East Wisconsin Avenue, Suite 3300
Milwaukee, Wisconsin 53202-4108
Facsimile: 414.227.0656

☐ BY UNITED STATES MAIL I enclosed the documents in a sealed envelope or package addressed to the respective address(es) of the party(ies) stated above and placed the envelope(s) for collection and mailing, following our ordinary business practices. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid at Los Angeles, California.

☒ (FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on July 21, 2005 at Los Angeles, California.

Noreen Harlow

[Print Name of Person Executing Proof]

[Signature]

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